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# SENATE BILL No. 288

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-4.1

**Synopsis:** Inheritance tax exemption for Class A transferees. Provides a total exemption from the inheritance tax for property transferred to lineal descendants and ancestors (Class A transferees) with respect to persons who die after June 30, 2005.

**Effective:** July 1, 2005.

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January 6, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 288

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-4.1-3-10 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) **With respect**  
3 **to a person who dies before July 1, 2005**, the first one hundred  
4 thousand dollars (\$100,000) of property interests transferred to a Class  
5 A transferee under a taxable transfer or transfers is exempt from the  
6 inheritance tax.

7 (b) **With respect to a person who dies after June 30, 2005, the**  
8 **entire amount of property interests transferred to a Class A**  
9 **transferee is exempt from the inheritance tax.**

10 SECTION 2. IC 6-4.1-5-1 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) For purposes of  
12 this section, the net taxable value of property interests transferred by a  
13 decedent to a particular transferee equals the remainder of:

- 14 (1) the total fair market value of the property interests transferred  
15 by the decedent to the transferee under a taxable transfer or  
16 transfers; minus  
17 (2) the total amount of exemptions and deductions provided under



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~~sections 9-1 through 15 of IC 6-4.1-3~~ **IC 6-4.1-3-10 through**

**IC 6-4.1-3-15** with respect to the property interests so transferred.

(b) **With respect to a person who dies before July 1, 2005**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF

PROPERTY INTERESTS

TRANSFERRED

INHERITANCE TAX

\$25,000 or less .....

1% of net taxable value

over \$25,000 but not

over \$50,000 .....

\$250, plus 2% of net  
taxable value over \$25,000

over \$50,000 but not

over \$200,000 .....

\$750, plus 3% of net taxable  
value over \$50,000

over \$200,000 but not

over \$300,000 .....

\$5,250, plus 4% of net  
taxable value over \$200,000

over \$300,000 but not

over \$500,000 .....

\$9,250, plus 5% of net  
taxable value over \$300,000

over \$500,000 but not

over \$700,000 .....

\$19,250, plus 6% of net  
taxable value over \$500,000

over \$700,000 but not

over \$1,000,000 ....

\$31,250, plus 7% of net  
taxable value over \$700,000

over \$1,000,000 but not

over \$1,500,000 ....

\$52,250, plus 8% of net  
taxable value over \$1,000,000

over \$1,500,000 .....

\$92,250, plus 10% of net  
taxable value over \$1,500,000

(c) **With respect to a person who dies after June 30, 2005, no inheritance tax is imposed on the person's transfer of property interests to a particular Class A transferee.**

(~~c~~) (d) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

NET TAXABLE VALUE OF

PROPERTY INTERESTS

TRANSFERRED

INHERITANCE TAX

\$100,000 or less .....

7% of net taxable value

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1	over \$100,000 but not	
2	over \$500,000 .....	\$7,000, plus 10% of net
3		taxable value over \$100,000
4	over \$500,000 but not	
5	over \$1,000,000 ....	\$47,000, plus 12% of net
6		taxable value over \$500,000
7	over \$1,000,000 .....	\$107,000, plus 15% of net
8		taxable value over \$1,000,000
9	(d) (e) The inheritance tax imposed on a decedent's transfer of	
10	property interests to a particular Class C transferee is prescribed in the	
11	following table:	
12	NET TAXABLE VALUE OF	
13	PROPERTY INTERESTS	
14	TRANSFERRED	INHERITANCE TAX
15	\$100,000 or less .....	10% of net taxable value
16	over \$100,000 but not	
17	over \$1,000,000 ....	\$10,000, plus 15% of net
18		taxable value over
19		\$100,000
20	over \$1,000,000 .....	\$145,000, plus 20% of
21		net taxable value over
22		\$1,000,000

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